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July 20, 2001

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

FEDERAL LEGISLATIVE UPDATE

Over the past week, Congress has taken action on a number of Federal Fiscal Year (FFY) appropriations bills, in an effort to adopt as many as possible before their August recess which begins in two weeks.

FFY 2001 Supplemental Appropriations: On July 20, 2001, the House and Senate adopted the conference report to an FFY 2001 \$6.5 billion supplemental spending bill (HR 2216) for military and natural disaster relief, which now goes to the President for his signature. The bill provides \$5.6 billion for defense, and smaller amounts for other programs, including \$300 million for Low-Income Home Energy Assistance Program (LIHEAP).

H.R. 2216 also included \$1.8 billion in offsetting spending cuts, including a \$110 million rescission of unspent FFY 2001 Workforce Investment Act (WIA) Dislocated Worker funds to help finance increases in LIHEAP and education programs. California would be disproportionately hurt because the State received over 17 percent of all Dislocated Worker funds and has not yet spent any of its FFY 2001 allotment, which is used to provide services in the State's 2000-01 fiscal year. The County worked with the National Association of Counties in opposing WIA cuts, which would have been bigger under previous versions of the bill. The bill also included a \$67.5 million cut in the Secretary of Labor's National Reserve account and a \$25 million cut in Youth Opportunity Grants which would not affect the County.

FedLU072001

Together We Can Conserve Energy



FFY 2002 Commerce/Justice/State (CJS) Appropriations: On July 18, 2001, the House passed H.R. 2500, the FFY 2002 CJS Appropriations bill, which includes funding for the State Criminal Alien Assistance Program (SCAAP) and other justice programs. The Senate Appropriations Committee approved its version of the bill on July 19. Under the House version, SCAAP would be funded at \$565 million, which is \$1 million above the FFY 2001 level and \$300 million above the President's request and the current Senate version. The Senate Appropriations Committee's lower FFY 2002 funding level of \$265 million for SCAAP was expected because the Senate historically has included far less funding than the House. For example, the Senate included only \$50 million for SCAAP in FFY 2001. The lack of support for SCAAP funding in the Senate is due to the fact that most of the funds go to a few states, including California.

The Senate Appropriations Committee's bill also includes:

- \$400 million for the Local Law Enforcement Block Grant, which is \$122 million below the House bill and the prior year, but is the same as the President's request;
- \$249 million for the Juvenile Accountability Incentive Block Grant, the same as the House bill the prior year;
- \$1.013 billion for the Community Oriented Policing Services (COPS) Program, which is the same as the House bill, but is \$17 million below the prior year and \$158 million above the President's request; and
- \$500 million for Byrne formula grants to states, which is the same as the House bill and the President's request, but is \$1 million above the prior year.

Also, of County interest, the Senate Appropriations Committee included language which would permanently extend the Section 245(i) program which allows aliens to apply for lawful permanent resident status without leaving the country if they pay a \$1,000 fee. The authorization for the program expired on April 30, 2001. The House recently passed a bill which would extent Section 245(i) for an additional four months. The Committee used the permanent extension of Section 245(i) to help finance increased funding for the Immigration and Naturalization Service, which would be funded at \$3.4 billion, roughly \$150 million above the prior year. We will provide your Board with additional information on the Senate's FFY 2002 CJS Appropriations bill after the committee report is released.

FFY 2002 VA/HUD/Independent Agencies Appropriations: On July 19, the Senate Appropriations Committee adopted its version of a FFY 2002 appropriations bill for a number of agencies, including the Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA). The Senate bill contains funding for the Community Development Block Grant (CDBG) at slightly over \$5.0 billion for FFY 2002. It restores Drug Elimination Grant program at \$300 million, which was proposed for termination by the Administration.

The Committee report also contains stronger language than it has in the past which expresses concern about the Administration's revival of a Clinton FEMA initiative to require state and local entities to insure their buildings as a condition for receiving future Federal disaster assistance. It directs FEMA to conduct a thorough cost-benefit analysis and extensive outreach to affected communities before issuing a proposed rule.

The House Appropriations Committee bill passed earlier this month would cut CDBG funding to \$4.4 billion in FFY 2002. The Administration requested \$4.8 billion for CDBG, which is funded at \$5.1 billion in FFY 2001. The County's Washington Advocates are working with NACo to oppose CDBG cuts. In general, the House bill proposes to fund most other housing programs around the same levels as FFY 2001. However, the House proposes to terminate the \$300 million Public Housing Drug Elimination program, and reduce the Public Housing Capital Fund by \$445 million to \$2.555 billion.

The House bill also contains strong County-supported report language directing FEMA not to issue any public insurance regulations until a comprehensive analysis shows that such insurance is available and affordable. The House report also notes that the current proposal is of "dubious merit." The County's Washington Advocates have been working with a broad-based California coalition to defeat this Presidential initiative. The House bill also rejected the Administration's proposal to reduce the Federal share of funding for hazard mitigation grants from 75 percent to 50 percent.

FFY 2002 Energy and Water Appropriations: Last week, the Senate adopted, 97-2, its version of a FFY 2002 Energy and Water Appropriations bill (S. 1171). The detailed committee report language is not yet available.

The House version (H.R. 2311), passed on June 28, includes an additional \$2 million for the Los Angeles County Drainage Area Project (LACDA) to grade and maintain the basin within Hansen Dam to enhance and maintain flood capacity. The funds also can be used for other LACDA Master Plan purposes, including recreation and environmental restoration. It also contains, as requested by the Army Corps of Engineers, an additional \$6.691 million for the operations and maintenance of LACDA. The House bill also

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provides \$400,000 to continue the feasibility phase of the Coast of California study in Los Angeles County. The funds would be used to study long-term shoreline changes in order to plan and design future shore protection projects. The bill now goes to a House-Senate Conference Committee.

Energy Issues: Last week, the House Energy and Commerce Committee adopted a package of energy conservation and regulatory simplification provisions. The Committee rejected, 17-33, an amendment that would have imposed electricity price caps in California for 18 months. The full House is expected to adopt the bill before the August recess. Senate Energy and Natural Resources Committee Chairman Jeff Bingaman (D-NM) is likely to seek a larger increase in fuel efficiency standards. A Senate committee mark up of a different bill is slated for the last week of July.

Pursuit of County Positions on Legislation

H.R. 2477 (Waters, D-CA): "Large Capacity Airport Limitation Act": On July 11, 2001, Representative Maxine Waters introduced H.R. 2477, which would require the Secretary of Transportation to prohibit the construction of any project to expand passenger or cargo capacity at any airport that is located in a county with a population of more than 9,000,000 and that has a capacity to serve 80,000,000 or more air passengers. The only airport which could be affected by the bill is Los Angeles International Airport (LAX).

The County supports H.R. 2477, introduced by Representative Waters, based on your Board's action on February 20, 2001 to approve a motion by Supervisor Knabe to support a change in Federal law to place a cap on the number of passengers at no more than 80 million annually in counties of more than nine million when an alternative plan exists to disperse passengers and air cargo to other regional airports. No hearing has been scheduled for the bill, which was referred to the House Transportation and Infrastructure Committee.

We will continue to keep you advised of any new developments.

DEJ:GK
RT:TJ:MT:md

c: Executive Officer, Board of Supervisors
County Counsel
All Department Heads
Legislative Strategist